

## **Temporary Programs**

### **Housing and Economic Recovery Act of 2008 (HERA) Programs**

(Public Law 111-289, approved July 30, 2008)

#### **Neighborhood Stabilization Program (NSP1)**

HERA established the Neighborhood Stabilization Program (NSP) and appropriated \$3.92 billion in funding (commonly referred to as NSP1) for emergency assistance grants to states and units of general local government to purchase and redevelop foreclosed and abandoned homes and residential properties. NSP is a component of the Community Development Block Grant (CDBG) program, and CDBG requirements govern unless waived.

NSP1 funds may be used to establish financing mechanisms for purchase and redevelopment of foreclosed homes and residential properties; purchase and rehabilitate homes and residential properties abandoned or foreclosed; establish land banks for foreclosed homes; demolish blighted structures; and redevelop demolished or vacant properties. NSP1 grants are awarded on a formula basis to state, local, and territorial governments.

Under NSP1, grantees have 18 months from the date HUD signed their grant agreements to obligate these funds and four years to expend grant awards. The grantee may use up to 10 percent of their allocations for administrative and planning costs. The grantee may use 10 percent of the program income generated by the NSP funded activities for administrative and planning costs, but funds used are counted toward the 10 percent limit.

#### **On the Web:**

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/comm\\_planning/communitydevelopment/programs/neighborhoodspg](http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs/neighborhoodspg)

**Administering Office:** Assistant Secretary for Community Planning and Development, U.S. Department of Housing and Urban Development, Washington, DC 20410.

#### **Low Income Housing Tax Credit Pilot (Tax Credit Pilot)**

HERA established a pilot program to streamline FHA mortgage insurance applications for projects with equity from the Low Income Housing Tax Credit (LIHTC) program. The Tax Credit Pilot creates a distinct application platform and a separate processing track under the Section 223(f) program. The mission of the program is to design, test, and refine streamlined FHA application requirements and processing. Only three different types of Section 223(f) transactions are eligible for the pilot and the transaction must meet certain criteria and eligibility requirements. The Tax Credit Pilot program and transaction requirements were announced by Mortgagee Letter 2012-1 on February 3, 2012. The initial announcement limited the pilot to Chicago, Detroit, Boston and Los Angeles. On

September 12, 2012, the pilot was expanded to include Atlanta, Denver, Fort Worth, San Francisco, and Seattle.

## **American Recovery and Reinvestment Act of 2009 (Recovery Act Programs)**

(Public Law 111-5, approved February 13, 2009)

### **Neighborhood Stabilization Program 2**

The Recovery Act included an additional \$2 billion appropriation for the Neighborhood Stabilization Program (commonly referred to as NSP2), for the redevelopment of abandoned and foreclosed homes and residential properties. NSP2 provides competitive grant awards to states, units of general local government, and nonprofit organizations to undertake eligible activities as provided under HERA, as amended.

The Recovery Act also authorized the establishment of the NSP Technical Assistance (NSP-TA) program to improve the capacities of NSP grantees and the implementation of their programs. Fifty million dollars of the \$2 billion Recovery Act appropriation is set aside for this purpose. Eligible applicants for competitive NSP-TA awards are states, units of general local government, nonprofit organizations, and other organizations capable of providing technical assistance to NSP grantees.

#### **On the Web:**

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/comm\\_planning/communitydevelopment/programs/neighborhoodspg](http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs/neighborhoodspg)

**Administering Office:** Assistant Secretary for Community Planning and Development, U.S. Department of Housing and Urban Development, Washington, DC 20410.

### **Green Retrofit Program for Multifamily Housing**

The Recovery Act included a \$250 million appropriation for the Assisted Housing Energy & Green Retrofit Program. Grants and loans are made for eligible property owners to make energy and green retrofit investments in the property, to ensure the maintenance and preservation of the property, the continued operation and maintenance of energy efficiency technologies, and the timely expenditure of funds. Eligible Applicants are owners of properties receiving project-based assistance pursuant to section 202 of the Housing Act of 1959, section 811 of the Cranston-Gonzalez National Affordable Housing Act, or Section 8 of the United States Housing Act of 1937. Physical and financial analyses of the properties are conducted to determine the size of each grant and loan. Incentives are available to participating owners.

Grants and loans are available up to \$15,000 per eligible unit based upon the needs and opportunities identified, and the agreed-upon retrofit plan. The terms of the grants or loans include continued affordability agreements. Grant and loan funds must be spent by the receiving property owner within two years. There are no limits as to when HUD must expend the funds.

**Administering Office:** Office of Affordable Housing Preservation (OAHP), Assistant Secretary for Housing, U.S. Department of Housing and Urban Development, Washington, DC 20410.

## **Dodd-Frank Wall Street Reform and Consumer Protection Act**

(Public Law 111-203, approved July 21, 2010)

### **Neighborhood Stabilization Program 3**

The Dodd-Frank Act authorized \$1 billion for the Neighborhood Stabilization Program (commonly referred to as NSP3), as authorized in HERA. NSP3 provides formula grant awards to states and units of general local government to undertake eligible activities as provided under HERA, and HUD may make available up to 2 percent of the funds for technical assistance grants.

#### **On the Web:**

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/comm\\_planning/communitydevelopment/programs/neighborhoodspg](http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs/neighborhoodspg)

**Administering Office:** Assistant Secretary for Community Planning and Development, U.S. Department of Housing and Urban Development, Washington, DC 20410.

## **Consolidated Appropriations Act, 2010**

(Public Law 111-117, approved December 16, 2009)

### **Energy Innovation Fund – Multifamily Pilot Program**

On December 16, 2009, the President signed the Consolidated Appropriations Act, 2010 (Pub L. 111-117). This legislation included an appropriation of \$50 million for an Energy Innovation Fund to catalyze innovations in the residential energy efficiency sector that have promise of replicability and to help create a standardized home energy efficient retrofit market. Of this amount, Congress directed that \$25 million shall be for the Multifamily Energy Pilot Program (the Program), directed at the multifamily housing market. This Program will support innovations in financing and conducting applied research to address primary barriers to the retrofitting of certain multifamily residential properties to be more energy efficient on a cost effective basis.

**Administering Office:** Assistant Secretary for Housing-Federal Housing Commissioner, U.S. Department of Housing and Urban Development, Washington, DC 20410.

**Consolidated and Further Continuing Appropriations Act, 2012**  
(Public Law 112-55, approved November 18, 2011)

**Rental Assistance Demonstration Program (RAD)**

The Consolidated and Further Continuing Appropriations Act, 2012 authorized the creation of a demonstration designed to preserve and improve public housing and certain other multifamily housing through the voluntary conversion of properties assisted under section 9 of the United States Housing Act of 1937 (public housing), the moderate rehabilitation program (Mod Rehab), the Rent Supplement Program (Rent Supp), or the Rental Assistance Program (RAP) to assistance under a project-based subsidy contract under section 8 of the 1937 Act. The program has a competitive component and a non-competitive component, but no new funding is appropriated for these conversions.

The competitive component allows conversion of up to 60,000 units from the section 9 account (for public housing conversions) or from the Project-Based Rental Assistance (PBRA) account (amounts appropriated for mod rehab) for Mod Rehab conversion to long-term section 8 rental assistance contracts or project-based voucher contracts. The conversions are administered by public housing agencies and other qualified entities. The non-competitive component allows Rent Supp, RAP, and Mod Rehab property owners to convert tenant-based vouchers (otherwise referred to as “tenant protection vouchers” or TPVs) issued upon contract expiration, or termination, to project-based vouchers.

**Administering Office:** Assistant Secretary for Housing-Federal Housing Commissioner and the Assistant Secretary for Public and Indian Housing, U.S. Department of Housing and Urban Development, Washington, DC 20410.

**Project Rental Assistance Demonstration (PRA Demo)**

The Consolidated and Further Continuing Appropriations Act, 2012 authorized the use of funds for a Project Rental Assistance Demonstration Program, (PRA Demo) for State housing finance agencies and other appropriate entities as authorized under section 811(b)(3) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013(b)(3)). Under this program, state housing agencies that have entered into partnerships with state health and human services and Medicaid agencies can apply for Section 811 Project Rental Assistance for new or existing affordable housing developments funded by Low-Income Housing Tax Credits (LIHTC), HOME, or other sources of funds. Under the state health care/housing agency partnership, the health care agency must develop a policy for referrals, tenant selection, and service delivery to ensure that this housing is targeted to a population most in need of deeply affordable supportive housing. This Section 811 assistance comes in the form of project rental assistance alone. No funds are available for construction or rehabilitation.

**Administering Office:** Assistant Secretary for Housing-Federal Housing Commissioner, U.S. Department of Housing and Urban Development, Washington, DC 20410.